

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Humbird Post Office
Humbird, Wisconsin

Docket No. A2012-9

ORDER AFFIRMING DETERMINATION

(Issued January 25, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly, the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

The Postal Service's Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service's request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On October 7, 2011, Helynn Schufletowski (Petitioner) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Humbird, Wisconsin post office (Humbird post office).² The Final Determination to close the Humbird post office is affirmed.

II. PROCEDURAL HISTORY

On October 13, 2011, the Commission established Docket No. A2012-9 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.³

On October 24, 2011, the Postal Service filed the Administrative Record with the Commission.⁴ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁵ Petitioner filed a Participant Statement supporting her Petition.⁶ The Public Representative did not file a pleading in this case.

III. BACKGROUND

The Humbird post office provides retail postal services and service to 40 post office box customers. Final Determination at 2. No delivery customers are served

² Petition for Review received from Helynn Schufletowski regarding the Humbird, Wisconsin post office 54746, October 7, 2011 (Petition).

³ Order No. 906, Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 13, 2011.

⁴ The Administrative Record is attached to the United States Postal Service Notice of Filing, October 24, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Humbird, WI Post Office and Extend Service by Rural Route Service (Final Determination).

⁵ United States Postal Service Comments Regarding Appeal, December 5, 2011 (Postal Service Comments).

⁶ Participant Statement received from Helynn Schufletowski, November 15, 2011 (Participant Statement).

through this post office. *Id.* The Humbird post office, an EAS-53 level facility, has retail access hours of 12:30 p.m. to 4:15 p.m., Monday through Friday, and 11:15 a.m. to 12:30 p.m. on Saturday. *Id.* Lobby access hours also are 12:30 p.m. to 4:15 p.m., Monday through Friday, and 11:15 a.m. to 12:30 p.m. on Saturday. *Id.*

The postmaster position became vacant on February 1, 2007, when the Humbird postmaster retired. *Id.* A non-career officer-in-charge (OIC) was installed to operate the post office. Retail transactions average eight transactions daily (7 minutes of retail workload). Post office receipts for the last 3 years were \$22,718 in FY 2008; \$21,836 in FY 2009; and \$18,187 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$17,821 annually. *Id.* at 8.

After the closure, retail services will be provided by the Merrillan post office located approximately 6 miles away.⁷ Delivery service will be provided by rural carrier through the Merrillan post office. *Id.* at 2. The Merrillan post office is an EAS-16 level post office, with retail hours of 9:00 a.m. to 11:30 a.m. and 12:30 p.m. to 4:15 p.m., Monday through Friday, and 9:00 a.m. to 10:00 a.m. on Saturday. *Id.* One hundred four (104) post office boxes are available. The Postal Service will continue to use the Humbird name and ZIP Code. *Id.* at 3, Concern Nos. 4 and 5.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Humbird post office. Petitioner argues that travel to the Merrillan post office will be inconvenient and that there are other alternatives to closing the Humbird post office. Petition at 1; Petitioner Statement at 1-2. Petitioner also contends that the carrier cannot retrieve items from a locked mailbox, cost savings are overstated, mailboxes along delivery routes will inhibit snow removal, and delivery times will vary too much. Petitioner Statement at 1-2.

⁷ *Id.* at 2. MapQuest estimates the driving distance between the Humbird and Merrillan post offices to be approximately 6.3 miles (8 minutes driving time).

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Humbird post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Humbird community; and (3) the economic savings expected to result from discontinuing the Humbird post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Humbird post office should be affirmed. *Id.* at 2.

The Postal Service explains that its decision to close the Humbird post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 4. The Postal Service contends that it will continue to provide regular and effective postal services to the Humbird community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, effect on the Humbird community, economic savings, and effect on postal employees. *Id.* at 3, 5.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On April 11, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Humbird post office. Final Determination at 2. A total of 320 questionnaires were distributed or picked up at the retail counter. Eighty-eight questionnaires were returned. On April 26, 2011, the Postal

Service held a community meeting at the Town Hall to address customer concerns. Eleven customers attended. *Id.*

The Postal Service posted the proposal to close the Humbird post office with an invitation for comments at the Humbird and Merrillan post offices from May 24, 2011 through July 25, 2011. Final Determination at 2. The Final Determination was posted at the same two post offices from September 2, 2011 through October 4, 2011. *Id.* at 1.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Humbird, Wisconsin is an unincorporated community located in Clark County, Wisconsin. Administrative Record, Item No. 16. The community is administered politically by the Humbird Town Board. Police protection is provided by Clark County/Neillsville/Jason Frederick Mentor Township. Fire protection is provided by the Humbird Fire Department. The community is comprised of farmers, retirees and those who commute to work in nearby communities. Residents may travel to nearby communities for other supplies and services; see *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Humbird community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Humbird post office, customers raised concerns regarding the effect of the closure

on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2-8.

Petitioner contends that the Postal Service has not adequately considered the effect of the closing on the Humbird community. Participant Statement at 2. The Postal Service states that it is addressing the community impact concern through preservation of the community identity by continuing the use of the Humbird name and ZIP Code in addresses. Postal Service Comments at 9.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Humbird postmaster retired on February 1, 2007 and that an OIC has operated the Humbird post office since then. Postal Service Comments at 12-13; Final Determination at 2. It asserts that after the Final Determination is implemented, the temporary OIC will be reassigned and that no other Postal Service employee will be adversely affected. Postal Service Comments at 13; Final Determination at 3, Concern No. 6.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Humbird post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it considered the effect of the closure on the community. Postal Service Comments at 8-9. Petitioner expresses concern that the addition of mailboxes along streets will affect snow removal and reduce the ability to travel by vehicle in the winter. Petition at 1; Participant Statement at 1-2. The Postal Service explains that the postmaster will take these safety concerns into consideration when determining the placement of the mailboxes on the route. Postal Service Comments at 9-10.

The Postal Service also contends that it has considered the effect the closing will have on postal services provided to Humbird customers. *Id.* at 5. It asserts that customers of the Humbird post office may obtain retail services at the Merrilan post office located six miles away. Final Determination at 2, 8. Delivery service will be

provided by rural carrier through the Merrilan post office. *Id.* at 2. The Humbird post office box customers may obtain Post Office Box service at the Merrilan post office, which has 104 boxes available. *Id.*

For customers choosing not to travel to the Merrilan post office, the Postal Service explains that retail services will be available from the carrier. *Id.* at 9. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioner argues that travel to the Merrilan post office will be inconvenient, that she will not be able to mail packages without knowing the rate, and that the carrier will not be able to retrieve items from a locked mailbox. Petition at 1; Petitioner Statement at 1-2. The Postal Service explains that carrier service is beneficial to customers because they do not have to travel to the post office for service. Postal Service Comments at 6. The Postal Service also notes that carriers will accept packages at the mailbox without a customer being present but do not open locked mailboxes. *Id.* at 6-7; Final Determination at 4, Concern No. 9.

Petitioner also argues that rural mail delivery times will vary too much. Petitioner Statement at 2. The Postal Service explains that there should not be a significant difference in delivery times and that some customers could receive mail earlier because the Humbird post office does not open until 12:30 p.m. Postal Service Comments at 7.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$17,821. Final Determination at 8. It derives this figure by summing the following costs: postmaster salary and benefits (\$17,077) and annual lease costs (\$6,000), minus the cost of replacement service (\$5,256). *Id.* The lease includes a 90-day release clause. Administrative Record, Item No. 15 (Post Office Fact Sheet). Replacement service will be provided through rural carrier service emanating from the Merrilan post office. Final Determination at 2. Petitioner argues that the annual savings is only \$12,821. Participant Statement at 2. The Postal Service states that the OIC will return to the

Merrillan post office, and believes that it can absorb the cost of the extra 40 deliveries without additional employees. Final Determination at 5, 7, Concern Nos. 23 and 36.

Petitioner also contends that there are other alternatives to closing the Humbird post office and that only a small amount of savings will be achieved by closing the facility. Petition at 1. The Postal Service explains that delivery and retail services by rural route service is the most effective solution for providing regular and effective service to the Humbird community, and the cost savings are significant, in the aggregate, with other Postal Service efforts to reduce costs. Postal Service Comments at 11-12.

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Humbird post office postmaster retired on February 1, 2007. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, will return to his/her duties at a nearby post office. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10.

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Humbird post office is affirmed.

It is ordered:

The Postal Service's determination to close the Humbird, Wisconsin post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Humbird post office has been operated by an officer-in-charge (OIC), currently a non-career postmaster relief (PMR), since the former postmaster retired on February 1, 2007. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. The savings from substituting OICs in postmaster positions throughout the nation has already been included in those billions. Counting the savings of a full postmaster salary is in effect double counting. There are inherent and blatant contradictions in the record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the record and present a more considered evaluation of potential savings.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium.

The citizens of Humbird, Wisconsin and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since February 2007, not an EAS-53 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis.

As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Postal Service's decision to discontinue operations at the Humbird post office is unsupported by evidence on the Administrative Record and thus, should be remanded.

Nanci E. Langley